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Comments to Federal Communications Commission
Washington, D.C. 20554

In the Matter of
Digital Broadcast Content Protection
Notice of Proposed Rulemaking

MB Docket 02-230, Released November 4, 2003

From

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Digital-Vending Services International, LLC (D-VSI) is an Intellectual Property company that has patents, software solutions and other intellectual property establishing a server based computer network capability that has application to the Public Internet in its entirety and other communication networks as well. D-VSI wishes to make some general observations in support of the FCC questions in regard to this matter of Digital Broadcast Content Protection and several specific comments.

1. General Comments. D-VSI owns two (3) awarded patents and will receive a fourth patent within weeks which cover the management, security, and payment of downloaded digital content over networks. The first patent (# 6,170,014) covers a multi-level computer network architecture of at least three levels or known as "client-server-server" or registration based "peer-to-peer" systems that download content. Content is not limited to any type and includes movies, music, text, courseware or other. It is not limited to hardware/software configurations and includes laptops, PDAs and others, and it is not limited by communications links and covers wireless, satellite, radio, telephone, cable and others. The patent is a "technical network patents."

The second patent (# 6,170,573) covers "critically treated" content for both the traditional "client-server" architecture and our patented "client-server-server" architecture as outlined above. "Critically treated" content includes content that has been encrypted, compressed, tagged, watermarked, flagged or any other such process.

The third patent (#6,606,664) provides improved capabilities for managing content in a multi-level computer network (Patent #1) for either synchronous and asynchronous sharing and

improved security for digital content (Patent #2). This patent has several additional claims regarding explicit types of content covered, such as digitized images and digitized motion paths. The security improvements include providing content holders assurance that their intellectual property cannot be used, copied, or sold in usable form unless and until a user site is authorized and metered as part of the downloading process. The increased security protects downloadable digital content and intellectual property that is being sold or licensed to users. This patent also expands the number of claims dealing with business payment practices used in conjunction with downloading content on a pay for use basis.

The associated software solutions are based on metering "who uses what, when, where and for how long or how much," a funds flow management module with pre-approval, validation, payment, billing and disbursements so that we know that the product has been paid-for, and a security module for protection of payment and billing information and protection of IP. This software system provides the capability for unique management of digital content, software applications, and on-line products by tracking and metering their usage. In addition, telecommunications and hardware peripheral usage can also be tracked and metered for private network or other special applications.

The software solution will be of great value to the on-line content industry, as they resolve intellectual property and payment issues raised by the public's previous use of Napster and other peer – to-peer systems. The software specifications support both the current "subscription" model used today but more importantly provides for secure "pay-per-use" of any digital content to include digital films and other digital entertainment products. The "pay-per-use" capability provides for mixing and matching of multiple options. Funds management functions include accepting and validating payment information for content or network use; properly debiting pre-paid accounts held for groups; transacting secure payments including micro-disbursements to multiple accounts, i.e., paying telecommunication providers, paying intellectual property holders; paying credit card and banking clearing houses, and when required by law, paying tax to local or state governments.

D-VSI also has methodologies and access to other technologies that provide additional security enhancements that can provide additional value to protecting either broadcast or Internet digital content distribution and provides for a range of permission models that prevent unauthorized distribution.

Digital Broadcast Content and Internet distribution is the nexus for the future of the entertainment industry, Broadcasters, Internet service providers, Cable operators, recording device manufactures, and telecommunications companies. All must be involved with the protection of digital content issues and standards.

The following are specific comments:

Section I, #4. – If consideration has not been given to adding the requirement or is not contained in ATSC Standard A/65 or similar of having an individual recording device coded identifier, something similar to "computer BIOS" information, then we recommend the FCC undertake such a review.

Section II, #10. – Consideration should be given to formalizing an organization or association with the mission of developing the industry standards. ATSC or the Copy Protection Working Group may provide a base organization to consider. However, because of the natural linkage with the Internet, any "Standards Organization" should include members from the Internet domain as well.

Section VI, #59 – Any such encryption must be done in a manner that does not effect any previous critical treatment of the digital content for further being process in either recording devices or computing and storage devices.

Section VI, #61 – Standards and procedures should be adopted for new content protection and recording technologies to ensure of interoperability and compatibility.

Section VI, #63 – Contrary to your comment that the Internet currently has robust security to protect unauthorized distribution, we believe that to date there is not the robust security and certainly not any appropriate payment mechanisms for paying for content. D-VSI's mission is use it patents and patented processes to provide the framework to minimize the authorized distribution of digital content and to provide the payment mechanisms so that content providers are paid for their intellectual property. However, it is important that standards and technologies are agreed to and implemented in the Digital Broadcast market that support the processes on the Internet so that Digital Broadcast does not become the "Digital Backdoor" that allows and even fosters the unauthorized distribution of digital intellectual property.

Section VI, #64 – Not withstanding fair use concerns, content owners should have a reasonable expectation that they will be paid for the intended use of their product. The recent Napster problem is case in point. Why is Digital Broadcast any different than buying a DVD that has the disclaimer to the effect that "intended for your private use only' or similarly with disclaimers on televised sports programs. Our view is that you should pay for what you use and have an expectation to receive the remuneration that you have negotiated with your distributor, hence our name - Digital Vending.

Section VI, #65 – D-VSI believes that it has methodologies coupled with certain technologies that would allow for revocation of content protection.